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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
<b>8-53367</b>

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/18 AND ENDING 12/31/18  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Bull & Bear Brokerage Services, LLC**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

**6817 Southpoint Parkway, Suite 1003**

(No. and Street)

**Jacksonville**

**Florida**

**32216**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Matthew B. Bishop

904-363-3322

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Thomas Faust, CPA**

(Name - if individual, state last, first, middle name)

**174 Coldbrook Ct.**

**Lafayette**

**Indiana**

**47909**

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of  
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unless the form displays a currently valid OMB control number.

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## OATH OR AFFIRMATION

I, Matthew B. Bishop, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bull & Bear Brokerage Services, LLC, as of December 31, 2018, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_



Matthew B. Bishop  
Signature  
Managing Principal  
Title

Mikayla McClain 2-28-19  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**Bull & Bear Brokerage Services, LLC**

**Report on Audit of  
Financial Statements**

**December 31, 2018**

**THOMAS FAUST, CPA**  
Certified Public Accountant

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**THOMAS FAUST, CPA**

Certified Public Accountant

174 Coldbrook Ct.

Lafayette, IN 47909

765-427-4534 thomasfaustcpa2@gmail.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Member of  
Bull & Bear Brokerage Services, LLC

**Opinion on the Financial Statements**

I have audited the accompanying statement of financial condition of Bull & Bear Brokerage Services, LLC, as of December 31, 2018, the related statements of income, changes in member's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material aspects, the financial position of Bull & Bear Brokerage Services, LLC as of December 31, 2018 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of Bull & Bear Brokerage Services, LLC's management. My responsibility is to express an opinion on Bull & Bear Brokerage Services, LLC's financial statements based on our audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Bull & Bear Brokerage Services, LLC in accordance with the U.S. federal securities laws and the applicable rules and the regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. My audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. My audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audit provides a reasonable basis for my opinion.

**Supplemental Information**

The Schedule of Computation of Net Capital Requirements Under SEC Rule 15c3-1 has been subjected to audit procedures performed in conjunction with the audit of Bull & Bear Brokerage Services, LLC's financial statements. The supplemental information is the responsibility of Bull & Bear Brokerage Services, LLC's management. My audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming my opinion on the supplemental information, I evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In my opinion, the Schedule of Computation of Net Capital Requirement Under SEC Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.



Thomas Faust, CPA

*Bull & Bear Brokerage Services, LLC*

I have served as the Company's auditor since 2018.

Lafayette, Indiana  
February 26, 2019

BULL & BEAR BROKERAGE SERVICES, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2018

ASSETS

Cash	\$ 17,608
Accounts and commission receivable	18,980
Other assets	<u>1,115</u>
	<u>\$ 37,703</u>

LIABILITIES AND MEMBER'S EQUITY

Accounts and commission payable	\$ 6,992
Member's equity	<u>30,711</u>
	<u>\$ 37,703</u>

BULL & BEAR BROKERAGE SERVICES, LLC

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

Revenues:

Commission income	<u>\$ 199,125</u>
	<u>199,125</u>

Expenses:

General and Administrative	16,264
Compensation	<u>36,000</u>
	<u>52,264</u>

Net income	<u><u>\$ 146,861</u></u>
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BULL & BEAR BROKERAGE SERVICES, LLC  
STATEMENT OF CHANGES IN MEMBER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018

Balance, January 1, 2018	\$ 61,809
Distributions	(177,959)
Net income for the year	<u>146,861</u>
Balance, December 31, 2018	<u><u>\$ 30,711</u></u>



BULL & BEAR BROKERAGE SERVICES, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:

Net income \$ 146,861

Adjustments to reconcile net income to net

cash provided by operating activities:

Changes in operating assets and liabilities:

Decrease in accounts and commission receivable 6,658

Increase in other assets (954)

Decrease in accounts and commission payable (186)

Total adjustments 5,518

Net cash provided by operating activities 152,379

Cash flows from financing activities:

Distributions and net cash used by financing activities (177,959)

Net decrease in cash (25,580)

Balance, beginning of year 43,188

Balance, end of year \$ 17,608

**BULL & BEAR BROKERAGE SERVICES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2018**

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**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Firm's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations—Bull & Bear Brokerage Services, LLC (the "Company") was incorporated February 19, 2001 and began operations for the purpose of conducting business as a broker/dealer in securities. In April 2008, the Company converted from a Florida corporation to a Florida limited liability company. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority (FINRA).
- b. Cash Equivalents—For purposes of the statements of cash flows, the Firm considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. There were no cash equivalents at December 31, 2018.
- c. Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- d. Concentrations of Credit Risk—The Firm places its cash in accounts with a local financial institution. At times, balances in these accounts may be exceed FDIC insured limits.
- e. Commissions Receivable—Commissions receivable are recorded at net realizable value. An allowance for doubtful accounts is provided based on prior collection experience and management's analysis of specific accounts. The allowance is reviewed periodically and adjusted for commissions deemed uncollectible by management. In the opinion of management, no such allowance is deemed necessary at December 31, 2018.
- f. Revenue Recognition—The revenue of the Company is derived primarily from commissions earned on the sale of mutual funds, variable annuities, and life insurance products. Commission income is recorded on the date of the transaction.

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers: Topic 606 to supersede nearly all existing revenue recognition guidance under GAAP. The Firm has performed an assessment of its revenue contracts and has not identified any material changes to the timing or amount of its revenue recognition under ASU 2014-09. The principles of revenue recognition from ASU 2014-09 are largely consistent with current practices of the Firm.

**NOTE 2: EXEMPTION UNDER RULE 15c3-3**

The Firm claims an exemption under Rule 15c3-3 in accordance with the provision of paragraph (k) (2) (i). During the year ended December 31, 2018 there were no amounts to be reported pursuant to the possession or control requirements under Rule 15c3-3, and the Firm is in compliance with their stated exemptive provisions, and thus is exempt from the provisions of Rule 15c3-3.

**NOTE 3: NET CAPITAL REQUIREMENTS**

The Firm is required to maintain a minimum net capital under Rule 15c3-1 of the Securities and Exchange Commission. Net capital required under the rule is the greater of \$5,000 or 6 2/3 percent of the aggregate indebtedness of the Firm. At December 31, 2018, net capital as defined by the rules, equaled \$10,616. The ratio of aggregate indebtedness to net capital was 65.86%. Net capital in excess of the minimum required was \$5,616.

**BULL & BEAR BROKERAGE SERVICES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2018**

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**NOTE 4: INCOME TAXES**

The Firm is organized as a limited liability company under the Florida Limited Liability Company Act and is structured to be treated as a Subchapter S corporation for income tax purposes. Items of income or loss are allocated to the member in accordance with the respective equity interest and reported on the individual federal and state income tax returns.

The Company implements the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 740, *Income Taxes*. Using that guidance, tax positions

initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

As of December 31, 2018, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years that remain subject to examination are the periods beginning January 1, 2015 for all major tax jurisdictions.

**NOTE 5: ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation Number 48 (FIN 48), Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (SFAS 109). The interpretation contains a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS 109. The Firm has elected to defer the adoption of FIN 48 as allowed in FASB Staff Position (FSP-48-3) issued December 30, 2008. The adoption of this standard is not currently anticipated to have a material impact on the Firm's financial position, results of operations, or cash flows; however, the effect on future financial statements of this pronouncement cannot be determined at this time. Management will continue to evaluate any uncertain tax positions, if any, during the deferral period.

**NOTE 6: CONTINGENCY**

The Firm assesses potential liabilities in connection with lawsuits and threatened lawsuits under Financial Accounting Standards Board's Accounting Standards Codification. The filing of a suit or formal assertion of a claim or assessment does not automatically indicate that accrual of a loss is appropriate. An accrual would be inappropriate, but disclosure would be required, if an unfavorable outcome is determined to be reasonably possible but not probable, or if the amount of loss cannot be reasonably estimated. If an unfavorable outcome is assessed as probable, an accrual would be appropriate if the amount of loss can be reasonably estimated, and disclosure would be required.

During 2013, the Firm incurred legal costs under the deductible of its insurance policy to defend itself in a suit brought by a former customer's widow. The widow claims an independent fiduciary duty is owed by the Firm to its customer, who the Firm sold a \$1 million term life insurance policy, to notify him of the lapse of his policy. The customer had moved from Florida to New York and closed his bank account after receiving his IRS refund and making the final payment on his car loan. The closure of the customer's bank account stopped the payment of future policy premiums causing the policy to lapse. The customer never notified the Firm or the Insurance Company regarding his relocation or new address. The Insurance Company did locate the customer and mailed a notice to the customer about the lapse of his policy for failure to pay his premiums. The widow claims customer never received this notice although she cannot recall how she knows this. Management believes the case to be frivolous, the potential for liability of the Firm to be remote, and its estimate of liability is \$0.

**BULL & BEAR BROKERAGE SERVICES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2018**

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**NOTE 7: COMPUTATION FOR DETERMINATION OR RESERVE REQUIREMENTS PURSUANT TO RULE 15c3-3**

The Firm does not carry customer accounts as defined by the Securities Exchange Act of 1934 under Section (a)(1) of Rule 15c3-3. Therefore, the Firm is exempt from the provisions of that rule.

**NOTE 8: RECONCILIATION PURSUANT TO RULE 17A-5(D)(4)**

There were no material reconciling items between the December 31, 2018 unaudited FOCUS report and this audit, in the computation of Net Capital under Rule 15c3-1.

**NOTE 9: POSSESSION OR CONTROL REQUIREMENT UNDER RULE 15c3-3**

Information relating to possession or control requirements is not applicable to the Firm as the Firm qualified for exemption under Rule 15c3-3 (k) (2) (i).

**NOTE 10: STATEMENTS OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

There were no liabilities subordinated to claims of creditors during the year ended December 31, 2018. Accordingly, no Statement of Changes in Liabilities Subordinated to Claims of Creditors has been included in these financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

**NOTE 11: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date which the report of the independent registered accounting firm was available to be issue, and concluded that no subsequent events have occurred that would require recognition or disclosure in the related notes to the financial statements.

BULL & BEAR BROKERAGE SERVICES, LLC

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2018

Net capital	
Total member's equity	\$ 30,711
Deductions:	
Non-allowable assets:	
Other assets	<u>(20,095)</u>
Net capital	<u>\$ 10,616</u>
Aggregate Indebtedness	\$ 6,992
Net capital required based on aggregate indebtedness (6-2/3%)	479

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS**

Minimum dollar net capital requirement of reporting broker or dealer	<u>5,000</u>
Excess Net Capital	<u>\$ 5,616</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

(A) - 10% of total aggregate indebtedness	699
(B) - 120% of minimum net capital requirement	6,000
Net Capital less the greater of (A) or (B)	<u>\$ 4,616</u>
Percentage of Aggregate Indebtedness to Net Capital	65.86%

Reconciliation with Company's computation (included in  
Part II of Form X-17A-5 as of December 31, 2018)

	\$ 10,616
Adjustments:	
Rounding	<u>0</u>
	<u>\$ 10,616</u>

BULL & BEAR BROKERAGE SERVICES, LLC

COMPUTATION OF AGGREGATE INDEBTEDNESS UNDER  
RULE 17a-5 OF SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2018

Aggregate indebtedness:

Accounts and commission payable

\$ 6.992

Ratio of aggregate indebtedness to net capital

0.66 to 1

**Bull & Bear Brokerage Services, LLC  
Broker Dealer Exemption Report**

**SEC RULE 15C3-3  
December 31, 2018**

**THOMAS FAUST, CPA**  
Certified Public Accountant

**THOMAS FAUST, CPA**

Certified Public Accountant

174 Coldbrook Ct.

Lafayette, IN 47909

765-427-4534 thomasfaustcpa2@gmail.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Member of  
Bull & Bear Brokerage Services, LLC

I have reviewed management's statements, included in the accompanying Exemption report of Broker and Dealers, in which Bull & Bear Brokerage Services, LLC, identified the following provisions 17 C.F.R. § 15c3-3(k) under which the Firm claimed an exemption from 17 C.F.R. § 240.15c3-3: (k) (2) (i), and Bull & Bear Brokerage Services, LLC stated that Bull & Bear Brokerage Services, LLC has met this exemption provision throughout the year ended December 31, 2018 without exception. Bull & Bear Brokerage Services, LLC's management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and accordingly included inquiries and other required procedures to obtain evidence about the Firm's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k) (2) (i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Thomas Faust, CPA  
Lafayette, Indiana  
February 26, 2019



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**BULL & BEAR BROKERAGE SERVICES, LLC**  
**6817 SOUTHPOINT PARKWAY, SUITE 1003**  
**JACKSONVILLE, FL 32216**

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**EXEMPTION STATEMENT REGARDING RULE 15c3-3**

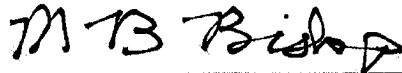
Bull & Bear Brokerage Services, LLC (CRD# 113866, SEC# 8-53367) is a \$5,000 minimum net capital non-carry, non-clearing broker/dealer and is exempt from reserve requirement, with exemptions, according to Rule 15c3-3 (k) (2) (i) "Special Account for the Exclusive Benefit of customer's" maintained.

Bull & Bear Brokerage Services, LLC, has met this exemption provision throughout the year ended December 31, 2018 without exception.

Bull & Bear Brokerage Services, LLC, has followed all the rules and regulation of Rule 15c3-3 throughout the year ended December 31, 2018.

Sincerely,

SIGNATURE: \_\_\_\_\_



**BULL & BEAR BROKERAGE SERVICES, LLC.**

**MATTHEW BISHOP, PRESIDENT**

**FEBRUARY 21, 2019**